

HOUSE BILL 697
By Maddox

AN ACT to amend Tennessee Code Annotated, Title 33,
relative to limiting damages for actions arising in
tort for facilities contracting with the state.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 33, Chapter 2, Part 4, is amended by
adding the following new section:

§33-2-421.

Facilities that are licensed entities and that are exempt from federal income
taxation under 501(c)(3) of the Internal Revenue Code shall only be liable for damages
up to the sum of three hundred thousand dollars (\$300,000) per claimant and one million
dollars (\$1,000,000) per occurrence for actions arising in tort during the time that the
facilities are contracting with the division of mental retardation services or the TennCare
bureau or their successors to provide residential services for individuals with
developmental disabilities or mental retardation, with respect to claims by or on behalf of
such individuals. This limitation of liability shall not apply to willful, malicious, or criminal
acts or omissions.

SECTION 2. This act shall not be applicable to claims that are within the jurisdiction of
the Tennessee claims commission, or to persons or entities immune from liability under
Tennessee Code Annotated, Title 9, Chapter 8, Part 3.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring
it.